



PRICE

**Poverty Reduction by
Increasing the Competitiveness of Enterprises**

First Quarterly Report Project Mobilization

May 31, 2008

Contract No. 388-C-00-08-00021-00

Prepared by Chemonics International Field and Home Office Staff

1. Purpose of Report

This report is to fulfill the PRICE contract deliverable of issuing its first quarterly report specifying “progress relative to its mobilization plan. The mobilization plan, submitted with the Offeror’s bid, stipulates how and when personnel, equipment and other support required for the implementation of PRICE will be secured.” This report will also provide updates on other elements of implementation, such as other near-term contract deliverables, early technical work, and implementation challenges.

2. PRICE Project Overview

PRICE is a five year USAID economic growth project. The 11 million USD contract was awarded to Chemonics International in February 2008. The key success indicators are to facilitate the creation of 200 million USD in sales, 40,000 jobs and four million USD in investment.

PRICE’s mission is to increase sales, jobs, and investment throughout the value chains of three sectors, with particular benefit to women, young adults, and SMEs. The three sectors are currently under review, but will most likely include high value agribusiness, including shrimp and aquaculture. The project will accomplish its mission through three mechanisms: (1) strategic sector-wide activities that deal with key industry opportunities or constraints, thereby creating sales, jobs, and investment throughout the entire sector; (2) facilitating sales transactions up and down the value chains through training and TA, linking connector firms and SME suppliers to specific buyers and creating a multiplier effect in sales, jobs and investment through backward and forward linkages; and (3) policy advocacy by identifying and advocating policy or regulatory changes to propel growth in PRICE value chains.

3. Project Mobilization Overview

The PRICE project is generally on track with its mobilization, with any delays in tasks being very manageable and/or in agreement with USAID. Table 1 below is taken directly from the mobilization plan in the Chemonics PRICE proposal and provides details on the status of the tasks. The sections below highlight some of the key tasks from the table.

Notification and Orientation PRICE notified all appropriate subcontractors, etc. of the PRICE award. It also had very productive orientation meetings with USAID in early March, with USAID technical and contracts teams meeting with the chief of party and the director and manager of the Chemonics PMU.

Recruitment Local staff recruitment is largely on track, with some minor delays that are very manageable. Three of the PRICE key personnel have been recruited, approved and hired (COP, SME team leader and SCF manager) and one has been recruited and submitted to USAID for approval (equity integration team leader). Also, the three Dhaka business advisors have been recruited and hired under the Dexis subcontract. The chief accountant, two administrative staff, a buyer research officer have also been hired. The originally proposed communications specialist and M&E manager have proved to be not available for PRICE, so these positions are still being recruited.

Chemonics had proposed, and USAID agreed, to add a one year long-term expatriate as operations manager. The purpose of this was to: (1) allow the chief of party to spend the necessary time on technical issues during the first critical year of project operations, and (2) fully train operations staff, particularly the SCF manager. This position was to be filled with the current Chemonics PMU manager. However, he has since had a personal issue that prevents him from assuming this position. Chemonics is now recruiting a replacement with deployment expected in late July or early August.

Office Set-Up PRICE has secured long-term office space in a pleasant, functional and well-located office in Banani. The project has also procured all of the necessary fixed assets at this time, including furniture, computers, server, telephone switch, copier, etc. Additional computers will be purchased on an as-needed basis when additional staff is hired.

Stakeholder Engagement and Work Planning With the assistance of USAID and as part of PRICE’s second contract deliverable (see Sector Analysis below), PRICE has already significantly engaged actual and potential project stakeholders. This has included businesses, government agencies and associations of potential sectors, and various donors and donor projects.

As per discussions with USAID, PRICE expects to further engage stakeholders during part of its upcoming work planning sessions. The first is expected to occur during the last week of June and will engage the shrimp and aquaculture sector, a sector already identified as a PRICE sector for assistance. PRICE expects to invite representatives from throughout the value chain, including representatives of farmers, processors, hatcheries, research, government, etc. PRICE's home office director is expected to attend and facilitate this session. PRICE will conduct similar sessions for the other, still-to-be-determined sectors in early August. The PRICE work plan and performance monitoring plan is expected to be completed in August, as per the contract.

USAID and PRICE had originally planned to have a "project launch" at the end of May, but this was postponed by mutual agreement in order to allow for (1) final selection of PRICE sectors and (2) the new U.S. ambassador to get more settled in his post. A date has yet to be determined.

4. The Next Three Months

The PRICE contract stipulates more deliverables over the next three months: (1) a sector analysis and recommendation report, (2) an environmental management plan, and (3) a gender action plan.

Sector Analysis and Recommendations (June) The first task of the PRICE contract is to analyze and recommend at least three sectors for PRICE assistance, based on criteria stipulated in the contract. A preliminary recommendation has been made to USAID, with a more formal presentation scheduled to be made on June 11th. The preliminary recommendation is that PRICE work with shrimp/aquaculture, horticulture and leather and leather products. The sector report is due in June.

Environmental and Gender Action Plans (July) The PRICE contract indicates that the project is to have environmental and gender action plans done by July. While obviously the plans depend on sectors chosen, PRICE has already identified a consultant to conduct the environmental action plan and it intends, pending USAID approval, to have the equity integration team leader conduct the gender action plan. PRICE is endeavoring to ensure that the chief of party's schedule annual leave in July does not delay the submission of these two plans.

Initial Technical Work (June-August) Concurrently with project mobilization, PRICE has been exploring early technical interventions at both the sector-wide strategic activity level and at the direct sales facilitation level, pending final completion of the work plan.

Given that shrimp/aquaculture has already been identified as a PRICE sector, the project has been exploring strategic interventions to address the recognized primary sector constraint, which is the very low yields of bagda shrimp farms. Most estimates indicate that with better farm management practices, farm yields could increase four or five times. PRICE is currently working on an extensive intervention to address this constraint, hoping to begin such an intervention within the next two months.

Also, through PRICE's sector analysis work, it has met with numerous businesses across six value chains, including shrimp/aquaculture. From these meetings, it is developing a short-list of firms that are viable candidates for PRICE direct sales facilitation work, which includes facilitating sales with firms with ready buyers but some constraint (capacity, quality, financing, etc.) that is preventing the sale. For example, Peninsula Seafood has identified several constraints, particularly sales training, for which it has requested PRICE assistance. PRICE hopes to begin work on two pilot sales facilitation work initiatives in June, using the "buyer-led" approach and its newly-hired business advisors in Dhaka.

5. Project Mobilization Challenges

There have been no serious project mobilization challenges during the start-up phase. Two minor challenges include (1) the delay/uncertainty over the ability of the chief of party to obtain a duty-free passbook and hence a HHE shipment delay, and (2) some recruitment delays that have already been noted. There is still uncertainty over the government's commitment to provide the chief of party with such a passbook, but USAID has verbally committed to allow the duty to be billable provided best efforts of Chemonics do not result in obtaining the passbook by the time the HHE arrives.

Table 1: Status of Mobilization: First Two Months

Task	Status	Details
Notify all subcontractors, chief of party, and Bangladesh staff of award; prepare employment contracts, subcontracts, and briefing materials; plan orientation workshop, travel, and accommodation for chief of party; secure temporary working space for COP	Completed	<ul style="list-style-type: none"> • All appropriate stakeholders notified of award • Employment contracts & subcontracts prepared • Orientation/launch workshop planned with USAID • Temporary accommodation & office space for COP arranged
Travel, HHE shipping, visa etc. arranged for COP	Completed	Travel, visa and HHE shipping (although delayed) arranged for COP
Chief of party orientation in Washington.	Completed	COP attended orientation in Washington during last week of February
Field COP, project director and project administrator.	Completed	COP, project director & project administrator fielded, with significant in-country overlap, at staggered times in February and March
Hire team leaders and other Bangladeshi staff.	In progress (largely done)	<ul style="list-style-type: none"> • SME team leader approved and hired (key personnel - KP) • SCF manager approved and hired (KP) • Equity integration team leader presented for approval (KP) • The three Dhaka business advisors hired • Chief accountant hired and two administrative staff hired • Buyer research officer hired • Still recruiting for M&E manager and communications specialist • Considering hiring one or two sector specialists
Initial orientation meetings with USAID	Completed	Chemonics and USAID had two very productive orientation meetings in early March that included the USAID technical and contracts teams, as well as the PRICE COP and the PMU director and manager.
Locate Dhaka office and conclude lease	Completed	PRICE has a very functional and well-located office in an apartment building in Banani.
Furniture, equipment, and computer procurement	Completed	All necessary fixed assets have been procured, including computers, server, telephone switch, air conditioners, furniture, copier, etc. Additional computers will be added with ongoing recruitment, on an as needed.
Draft initial work plan outline for discussion with USAID and activate in AID-Project.	Completed	PRICE has shown USAID the framework of its expected workplan. As discussed, it will discuss an updated version, which is expected to be revised, of the plan before the chief of party leave for annual leave on June 28 th . Again, the final work plan is expected to be completed in August as per the contract.
Draft project performance monitoring plan (PMP)	Planning	The PRICE PMP is to be completed at the same time as the work plan in August.

Table 1: Status of Mobilization: First Two Months (cont'd)

Task	Status	Details
Draft communication strategy.	In progress	As per the PRICE contract, this will be completed by December. But, elements of the strategy, small and large, are already being implemented, including business cards, stakeholder identification, etc.
Draft SCF operating manual, including BSC handbook.	In progress	PRICE has assembled some examples from other projects and it is expected that the final versions will be completed in August or September, which will match well with the needs of the project.
Hold initial work planning workshop with USAID, public and private sector stakeholders, and subcontractors.	Planning	As per discussions with USAID, PRICE expects to further engage stakeholders during part of its upcoming work planning sessions. The first is expected to occur during the last week of June and will engage the shrimp and aquaculture sector, a sector already identified as a PRICE sector for assistance. PRICE expects to invite representatives from throughout the value chain, including representatives of farmers, processors, hatcheries, research, government, etc. PRICE home office director Cheryl Doty is expected to attend and facilitate this session. PRICE will conduct similar sessions for the other, still-to-be-determined sectors in early August. The PRICE work plan and performance monitoring plan is expected to be completed in August, as per the contract.
Hold a formal launch followed by second vetting of work plan in breakout groups with USAID and stakeholders; update AID-Project.	Planning	USAID and PRICE had originally planned to have a project launch at the end of May, but this was postponed by mutual agreement in order to allow for (1) final selection of PRICE sectors and (2) the new U.S. ambassador to get more settled in his post. A revised date has not been established.
Publish draft year 1 work plan from updated AID-Project.	Planning	The year one work plan will be published in AID-Project upon its completion in August.
Hold PRICE team-building exercise, including USAID, public and private sector stakeholders, and subcontractors.	Planning	In consultation with USAID, PRICE had originally intended to have a team building exercise during the last week of May, including stakeholders, a presentation by the U.S. ambassador. But, by mutual agreement, this was postponed to allow time for (1) the ambassador to get more settled, (2) the PRICE sectors to be finally determined, and (3) more of the PRICE staff to be brought on.